

REMARKS

The application has been reviewed in light of the final Office Action dated September 11, 2007. Claims 19-36 were pending, with claims 1-18 having previously been canceled, without prejudice and disclaimer. By this Amendment, claim 22 has been canceled, without prejudice and disclaimer, claims 19, 23, 30, 34 and 35 have been amended to clarify the claimed subject matter by including the features formerly recited in now-canceled claim 22, and new claim 37 has been added. Accordingly, claims 19-21 and 23-37 are now pending, with claims 19, 23 and 30 being in independent form.

Claims 30-36 were rejected under 35 U.S.C. §112, first paragraph, as allegedly failing to comply with the written description requirement.

It is contended in the Office Action that “(g) determining a second shipping charge corresponding to the actual amount charged by the supplier in step (b) for transportation of the one individual package to the corresponding customer, said actual amount charged in step (b) being determined based on shipment of the individual packages from a virtual location in the second country to said customers” in claim 30 is not supported by the disclosure as originally filed.

The rejection under 35 U.S.C. §112, first paragraph, is hereby traversed, for at least the following reasons.

Based on the comments in the Office Action, it is apparent that there is a misunderstanding of claim 30 (and possibly the subject matter of this application as a whole).

The Office Action contends that the “second shipping charge” in claim 30 is a consolidated shipping charge (*by shipper*) of all orders.

Such contention entirely ignores the language of claim 30 which refers to “a second shipping charge corresponding to the actual amount *charged by the supplier* in step (b) for transportation of the *one individual package* to the corresponding customer ...” Such claim feature, contrary to the contention in the Office Action, is clearly supported in the original disclosure, for example, at page 7, lines 1-16, which states as follows:

The following steps take place in this country. At step 218, the consolidated shipment is received in the U.S. and is processed as an import entry through customs and otherwise. At step 220, the *consolidated package is divided into the original individual packages*, which are shipped to the respective customers for individual package delivery, preferably by the same shipper. At step 222, *a calculation is made of the domestic freight (shipping) charges applicable to the respective individual packages*. This calculation uses a domestic freight conversion table from a database 224. As a non-limiting example, the table contains information identifying the shipping charge that a shipper such as UPS would charge for delivery of an individual package to the customer from a virtual domestic (U.S.) location, preferably based on factors such as the package weight and/or size and a geographical zone in which the customer is located. The calculations at step 222 provide charging information from which an automatic domestic freight billing system prepares *shipping bills for the respective packages* and customers. These bills are sent or otherwise delivered to the respective customers at step 228, e.g., together with the packages shipped at step 220 or in some other way, electronically or as hard copies.  
(Emphasis added)

Thus, “... the actual amount *charged by the supplier* in step (b) for transportation of the *one individual package* to the corresponding customer ...” is clearly supported in the original disclosure.

Accordingly, withdrawal of the rejection under 35 U.S.C. §112, first paragraph, is respectfully requested.

Claims 19-21, 23, 25-30 and 32-35 were rejected under 35 U.S.C. § 102(e) as purportedly anticipated by Arunapuram et al. (US 2002/0019759 A1) Claim 36 was rejected under 35 U.S.C. § 103(a) as purportedly unpatentable over Arunapuram. Claim 22, 24 and 31 were rejected under 35 U.S.C. § 103(a) as purportedly unpatentable over Arunapuram in view of U.S. Patent

No. 5,966,697 to Ferguson et al.

Applicant respectfully submits that independent claims 19, 23 and 30 of the present application are patentable over the cited art, for at least the following reasons.

The Office Action itemizes a hodge-podge of features proposed by Arunapuram, but fails to identify several aspects of the claimed subject matter of the present application.

As previously discussed at length in the record, the present application relates to improved approaches for managing shipping costs.

In particular, the improved approaches are directed to the circumstances that items to be shipped are stored in a warehouse at a location convenient and/or cost effective for the supplier (“actual supplier location” in the claims), but at the same time, many customers do not expect to be charged for the entire cost of shipping ordered items from the warehouse (such as in another country) to the customer location and expect instead to be charged an amount commensurate with shipping from a location in the local or nearby geographical region (“virtual supplier location” in the claims). Under such circumstances, it is often the case that an ordered item is shipped to the customer, and the bill including a shipping charge by the supplier, based on notionally shipping the ordered item from a virtual supplier location to the customer location, is sent by the supplier to the customer, without considering the actual charge by a shipping entity to the supplier for shipping the item from the actual supplier location to the customer location (for example, because such actual charge by the shipping entity is not yet known to the supplier at the time that the bill is sent out).

Such circumstances are set forth in the present claims. For example, claim 19 of the present application recites “... providing a first shipping charge corresponding to an actual charge by the shipping entity to the supplier for transportation of items by the shipping entity from one

or more actual supplier locations to a customer location; providing a second shipping charge corresponding to a shipping charge by the supplier to the customer and calculated by reference to charges applicable to shipment of the items to the customer from one or more virtual supplier locations that are different from the one or more actual supplier locations, said shipping charge by the supplier to the customer being determined without reference to said actual charge by the shipping entity to the supplier for transportation of said items to the customer location...”

Claim 23 of the present application recites “(c) ... receiving by the supplier an actual charge by the shipping entity to the supplier for transportation of the ordered items from said one or more actual supplier locations to the customer location; (d) computing a first shipping cost based on said actual charge by the shipping entity received in step (c); (e) determining a second shipping charge corresponding to the actual amount charged by the supplier to the customer in step (b), said actual amount charged being determined (i) based on shipment of the ordered items to the customer location from one or more virtual supplier locations that are different from the one or more actual supplier locations, and (ii) without reference to said actual charge by the shipping entity to the supplier for transportation of said ordered items to the customer location ...”

Claim 30 of the present application recites “(d) arranging for shipping by a first shipping entity of the collective international shipment from step (c) as a single package from the first country to the second country, and receiving by the supplier a first actual charge by the first shipping entity to the supplier for transportation of the collective international shipment from the first country to the second country; (e) dividing the collective international shipment in the second country into said individual packages, arranging for transportation by a second shipping entity of the individual packages to respective customer locations in the second country, and

receiving by the supplier a bill of second actual charges by the second shipping entity to the supplier for said transportation of the individual packages to respective customer locations in the second country; (f) computing a first shipping cost specific to transportation of one of said individual packages to the corresponding customer, based on said first actual charge by the first shipping entity received in step (d) and said second actual charges by the second shipping entity received in step (e); (g) determining a second shipping charge corresponding to the actual amount charged by the supplier in step (b) for transportation of the one individual package to the corresponding customer, said actual amount charged in step (b) being determined based on shipment of the individual packages from a virtual location in the second country to said customers, and without reference to said first actual charge by the first shipping entity received in step (d) and said second actual charges by the second shipping entity received in step (e) ...”

Such aspects of the claims of the present application are not present in Arunapuram.

Arunapuram, as understood by applicant, proposes an approach for making a cost-minimizing set of product transportation decisions based on expected transportation costs, to arrive at an “optimal” transportation plan, tracking the products as they are being shipped and delivered to the customer, and after received the shipping bill from the carrier, allocating the incurred costs in invoices to the customers.

Arunapuram, [0021] and [0034], which was cited in the Office Action, states as follows in relevant part:

[0021] The freight payment manager automatically ***accounts for the incurred carrier costs, allocates the costs to the proper orders***, and authorizes payment or ***invoices*** for all executed freight movements.

...

[0034] In the preferred embodiments of the electronic transportation managers of the present invention as shown in the figures, ... at step 204, a third manager module, the freight payment (“FP”) module 500 of FIG. 5, ***accounts for incurred***

***costs for the executed freight movements, allocates the costs to orders received in step 201, and authorizes payment or invoices for all incurred freight movement costs that have been accounted for and allocated.***

Further, the Summary section of Arunapuram clearly states as follows:

[0013] In response to the above-described and other needs, the present invention provides electronic shipping and transportation planning, execution and freight payment managers and related methods that are useful to decrease shipment cycle time and cost while increasing services available to an organization and its clients. ... Further, a third embodiment of the present invention allows organizations to ***fully optimize transportation operations by facilitating the management of freight movement costs by identifying carrier costs and charging an appropriate client an appropriately allotted amount for the carrier costs***. Finally, a preferred embodiment of the present invention allows organizations to fully optimize transportation operations by ... collection of costs for completed freight movements.

Thus, it is clearly one of the objectives of Arunapuram to pass on the actual charges of the carrier for shipping ordered items, to the customers who ordered the shipped items, on an allocated basis.

Arunapuram clearly does not teach or suggest that the shipping charge by the supplier to the customer is determined without reference to said actual charge by the shipping entity to the supplier for transportation of said items to the customer location, as provided by the subject matter of claim 11 of the present application.

Further, Arunapuram, contrary to the contention in the Office Action, does not teach or suggest computing the difference between (i) an actual charge by the shipping entity to the supplier for transportation of the ordered items and (ii) the actual amount charged by the supplier to the customer.

The determination of ratios of each leg as proposed in Arunapuram is part of the approach of Arunapuram to pass on the incurred costs to the customer, by allocating such incurred cost to said customers.

Such an approach (that is, proposed by Arunapuram) clearly requires the actual charge by the shipping entity to be referenced for determining the shipping charge by the supplier to the customer.

Moreover, since the actual carrier charges are passed on to the customers in Arunapuram, by allocating such incurred costs among said customers, there is no motivation to compute the difference between (i) an actual charge by the shipping entity to the supplier for transportation of the ordered items and (ii) the actual amount charged by the supplier to the customer.

The Examiner is requested to consider each claim as a whole and consider each and every aspect of the claims (and not only selected claim terms which the Examiner can analogize to proposed features in the cited art).

Here, although the approach proposed by Arunapuram involves performing arithmetic operations, such operations do not involve computing the difference between (i) an actual charge by the shipping entity to the supplier for transportation of the ordered items and (ii) the actual amount charged by the supplier to the customer.

Ferguson, as understood by applicant, proposes an electronic commerce system that allows a user to purchase items from multiple vendors within a computer network.

Ferguson, column 6, lines 14-36 (reproduced below), was cited in the Office Action as proposing charging customers a flat shipping fee:

The first field within the user selection data specifies the merchant count. The merchant count indicates the number of merchants from which the user has selected data. If additional merchants are added to the selection data, the merchant count is increased to reflect the number of merchants and each merchant is delineated by a merchant delimiter. The second field in the user selection data is the merchant delimiter "m". Above, each merchant within the user selection data is delimited by the merchant delimiter. The merchant ID field specifies an identification number for the merchant. The state field lists each state in which sales tax is charged on purchases made from within that state. The tax amount field indicates the amount of

*sales tax for each state listed in the state field. The shipping type field identifies how shipping costs are calculated. For example, shipping costs may be a flat rate based upon the number of items purchased or shipping costs may be determined by the weight of the product shipped or the distance the products are shipped. In the illustrated example, a flat rate for each item is specified. The shipping definition field specifies additional information related to the shipping type field. In the illustrated example, the shipping definition field indicates that the flat rate per item for shipping is \$2.00 per item.*

However, Ferguson, like Arunapuram, does not disclose or suggest (i) providing a second shipping charge corresponding to a shipping charge by the supplier to the customer and calculated by reference to charges applicable to shipment of the items to the customer from one or more virtual supplier locations that are different from the one or more actual supplier locations, said shipping charge by the supplier to the customer being determined without reference to said actual charge by the shipping entity to the supplier for transportation of said items to the customer location, and (ii) computing the difference between an actual charge by the shipping entity to the supplier for transportation of the ordered items and the actual amount charged by the supplier to the customer, as provided by the subject matter of claim 11 of the present application.

Independent claims 23 and 30 are patentably distinct from the cited art for at least similar reasons.

Accordingly, for at least the above-stated reasons, Applicant respectfully submits that independent claims 19, 23 and 30, and the claims depending therefrom, are patentable over the cited art.

In addition, regarding claims 20, 21, 25-27 and 32-35, applicant maintains that the claims are not directed to intended use, but rather recite additional method steps.

As noted above, the Examiner is requested to consider each claim as a whole and



consider each and every aspect of the claims.

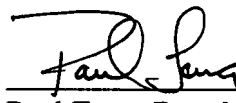
The cited art does not teach or suggest 19-21, 25-27 and 32-35 of the present application.

In view of the amendments to the claims and remarks hereinabove, Applicant submits that the application is now in condition for allowance. Accordingly, Applicant earnestly solicits the allowance of the application.

If a petition for an extension of time is required to make this response timely, this paper should be considered to be such a petition. The Patent Office is hereby authorized to charge any fees that are required in connection with this amendment and to credit any overpayment to our Deposit Account No. 03-3125.

If a telephone interview could advance the prosecution of this application, the Examiner is respectfully requested to call the undersigned attorney.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Paul Teng", is written over a horizontal line.

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